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UNCLAS SECTION 01 OF 02 LILONGWE 001018

SIPDIS

SENSITIVE

STATE FOR AF/S B. NEULING AND A. GALANEK  
STATE FOR EB/IFD/ODF  
STATE FOR EB/IFD/OMA FRANCES CHISHOLM  
TREASURY FOR INTERNATIONAL AFFAIRS/ AFRICA/ L. KOHLER

E.O. 12958: N/A

TAGS: [KCOR](#) [ECON](#) [EFIN](#) [PGOV](#) [PREL](#) [MI](#)

SUBJECT: MALAWI'S NEW ANTI-CORRUPTION CHIEF

REF: A. LILONGWE 839

[B](#). LILONGWE 881  
[C](#). LILONGWE 1016

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SUMMARY  
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[1](#). (SBU) The new director of the Anti Corruption Bureau recently discussed his pending prosecutions and strategic vision for the agency. He is focusing on five grand corruption cases, all against senior public figures. He intends to forego longer-range public outreach and prevention plans for winning big, current cases with recoverable assets. End summary.

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FIVE HIGH-LEVEL CASES NOW  
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[2](#). (SBU) Econoffs recently paid a courtesy call on the Gustave Kaliwo, the new director of Malawi's Anti Corruption Bureau (ACB) (ref B). Kaliwo updated us on the bureau's leading cases and on the future, the priorities, and the challenges facing the ACB. Kaliwo's agency has five high-profile cases facing it at the moment:

- The Apex car case, in which GOM officials colluded to buy used vehicles for the GOM as new. The case has been prepared and is awaiting the Director of Public Prosecution's (DPP) approval to prosecute. This case may involve three former cabinet ministers.
- The Securicom case, involving fraudulent contracts for a national identity card system, is awaiting DPP approval.
- The Shire Bus Lines case, where CEO Humphrey Mvula has been arrested and charged with fraudulent deals on buses and spare parts, was scheduled to go to court on October 28. Coincidentally, Mvula, who was out on bail in the corruption case, was arrested this week on a murder charge in the death of a Muslim cleric for political reasons in 2002. Mvula is the official spokesman of the ruling United Democratic Front political party.
- The maize scandal, in which former Finance Minister Friday Jumbe is charged with illegally diverting maize from the strategic grain reserve for private export. Jumbe was arrested on October 27 while attempting to flee the country (ref C). More arrests will likely follow.
- The Ministry of Sports scandal, in which Ministry money was transferred to UDF operatives to pay for election expenses. Arrests are expected in the next several days.

[3](#). (SBU) Of his approach to prosecutions, Kaliwo said that he wanted to be careful not to chase too many cases at once with his limited staff; he thought half a dozen large cases at a time was roughly the capacity of his present staff. Kaliwo has received funding to hire more staff, particularly more staff prosecutors, but ACB has just confirmed the funding and begun to advertise for the jobs. Even at double the funding the bureau has over last year's budget, though, he feels the GOM should commit itself to still more funding. He stated strongly that this is a core function of the GOM that should not rely on donor participation. In his words, Government must accept that "ACB is their baby."

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CORRUPTION IS STILL MANAGEABLE; FOCUS ON CURRENT CORRUPTION  
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[4](#). (SBU) Kaliwo agreed with the commonplace view that corruption, in the form of grand corruption, had only won a foothold in Malawi during the Muluzi administration. Corruption on a cultural level--pervasive petty

corruption--is not yet a problem here and, Kaliwo felt, could be prevented with prosecutions of big cases. However, some Government institutions, notably the Immigration Office, have become corrupt at lower levels, and should be targeted for investigation. Kaliwo believes a few such prosecutions could well fix the problem.

15. (SBU) As for the strategic direction of ACB, Kaliwo wants to reconsider the bureau's five-year plan. He wants to examine why the ACB has historically failed to deliver, and base a new strategy on that understanding of past failure to perform. He indicated that he would likely steer the plan away from extensive new training, prevention, and public outreach programs (with the exception of establishing a 24-hour hotline) in favor of focusing more tightly on a handful of prosecutions. These, he said, should be directed against big, fairly current malfeasance and, where possible, on recoverable assets.

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COMMENT: MORE VISION, MORE ENERGY, MORE REALISM  
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16. (SBU) The new ACB chief appears to bring to the bureau a sharper vision and far more energy than his predecessor, a phlegmatic if distinguished jurist. Put simply, Kaliwo is all about putting the big guys in jail, and doing it now. He is clear about the necessity of not spending scarce resources trying to chase every potential case, nor in pursuing long-range goals with training and public awareness. We view this as an appropriate concentration on achieving realistic short-term goals with modest means.

GILMOUR